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ARTICLE 5

Difficulties arising in the application of the present Convention shall be settled by direct agreement between the Controllers of the two Clearing Offices. In case of disagreement the difficulty will be submitted to arbitration.

ARTICLE 6

This Convention, when duly ratified, shall be notified to Germany and the period of six months referred to in paragraph 5 of the annex to Section III of the Treaty shall begin to run as from the date of such notification.

In witness whereof the Undersigned have signed the present Convention and have affixed thereto their seals.

Done in duplicate at London the 20th day of July, 1921.

[L. S.] CURZON OF KEDLESTON
[L. S.] GEORGE H. PERLEY
[L. S.] JAMES ALLEN
[L. S.] WILLIAM MEYER
[L. S.] SAINT-AULAIRE

AGREEMENT BETWEEN THE BRITISH AND GERMAN GOVERNMENTS RESPECTING
ARTICLE 297 (e) OF THE TREATY OF VERSAILLES OF JUNE 28, 1919
(PAYMENT OF COMPENSATION IN RESPECT OF DAMAGE, &C., TO PROPERTY,
RIGHTS OR INTERESTS)¹

Signed at London, November 23, 1921

Whereas the German Government recognises its liability to make direct payments of such sums as may be found due from Germany under Article 297 (e) of the Treaty of Versailles, whether by award or by agreement, and the German Government, in view of its difficulties in providing the necessary funds in addition to those required to satisfy the monthly balances under paragraph 11 of the Annex to Section III of Part X of the Treaty, has requested that His Britannic Majesty's Government should, in order to meet such payments, apply the net proceeds of liquidation of German property, rights and interests from time to time coming into its hands, in so far as such proceeds shall not be required either for the purpose of the Clearing operation under Article 297 (h) (1) or to satisfy the claims of British nationals in whose favour the charge referred to in paragraph 4 of the Annex to Section IV of Part X may in the first place be created, other than those entitled to compensation under Article 297 (e) as above mentioned;

And whereas His Britannic Majesty's Government is desirous of meeting the request of the German Government, subject to the due fulfilment of the Agreement signed on the 10th June, 1921, by the representatives of the Allied and German Clearing Offices and subject to Germany undertaking to provide

¹ British Treaty Series, 1921, No. 27.

in cash any funds necessary to meet such payments for compensation if and in so far as such surplus net proceeds of liquidation may not suffice for that purpose;

Now it is hereby agreed and declared as follows:—

1. The German Government undertakes that Germany will provide the necessary funds to enable compensation due to British nationals under Article 297 (e) of the Treaty, whether under awards or by agreement, to be paid immediately upon the same becoming due, in so far as the net proceeds of liquidation at the dates of the respective accounts referred to in Article 2 in the hands of His Britannic Majesty's Government of German property, rights and interests shall be insufficient for that purpose, after making provision for the Clearing operation under Article 297 (h) (1) and satisfying the other claims of British nationals then entitled to payment (other than those above-mentioned entitled to compensation under Article 297 (e)), in whose favour in the first place a charge may be created over German property, rights and interests under paragraph 4 of the said Annex to Section IV.

2. For this purpose accounts showing the net proceeds of liquidation of German property, rights and interests and the cash assets referred to in Article 297 (h) (1) of the Treaty (other than such as have been released from the charge referred to above) which have come to the hands or under the control of His Britannic Majesty's Government up to the date of each account, and also any excess payments that may have been made at the date of each account by Germany under the Agreement of the 10th June, 1921, relating to the payment of the monthly balances under Article 296 shall be furnished to the German Clearing Office every three months, beginning on the 30th September, 1921, and a total account of the net proceeds of the liquidation of British property, rights and interests and cash assets which have come to the hands or under the control of the German Government up to the date of the account, shall be furnished to the British Clearing Office on the 30th September, 1921. Any necessary adjustments in such accounts shall be shown in subsequent accounts to be furnished every three months. Proceeds of liquidation and cash assets, in so far as they may arise from uncompleted British liquidations, shall not be credited until the completion thereof, except where the liquidator certifies that no portion of the sums paid over to the Custodian will be required for the purpose of the liquidation.

3. In the event of any such accounts furnished by the British Clearing Office, after taking into account the said net proceeds of liquidation and cash assets in Germany showing that the said net proceeds and cash assets in the hands or under the control of His Britannic Majesty's Government, together with any such excess payments as aforesaid, after making provision for the Clearing operation under Article 297 (h) (1) and satisfying the other claims of British nationals as above mentioned, are for the time being insufficient to meet the claims of persons entitled to compensation under Article 297 (e) as above mentioned, the German Government will pay to the British Clearing

Office in cash the amount of the deficiency within fourteen days from the delivery of the further account next hereinafter mentioned. The British Clearing Office will, upon receipt of the account to be furnished to such Office under Article 2, deliver a further account to the German Clearing Office in the form of the specimen account set out in the Schedule to this Agreement showing the balance, if any, payable thereunder.

4. Nevertheless, if upon any subsequent further account a balance shall be shown in favour of Germany after taking into account sums paid or payable in respect of compensation awarded or agreed under Article 297 (e), the British Clearing Office shall immediately refund to the German Government in cash up to the limit of such balance the amounts already paid in cash by Germany under Article 3, the intention being that the total amounts to be paid by Germany under Article 3 shall be limited to the deficiency shown by each successive account so to be furnished by the British Clearing Office under this Agreement.

5. The provisions of this Agreement shall not apply to any costs or expenses awarded by the competent Tribunal appointed under the Treaty, which shall be payable direct forthwith.

6. This Agreement shall not in the first instance apply to the property, rights and interests or the claims of British nationals ordinarily resident in Egypt or in any other part of the British Empire outside the United Kingdom, Colonies not possessing responsible Government and Protectorates, or in China, nor to the property rights or interests of German nationals in Egypt, or in any other part of the British Empire outside the United Kingdom and such Colonies and Protectorates as aforesaid or under the control of the British authorities in China.

Nevertheless at the request of His Britannic Majesty's Government made at any time within six months from the present date, the Agreement shall be made to apply reciprocally to any other part of the British Empire in its present form, or with such modifications as may be agreed upon between the Contracting Parties.

7. It is agreed that it is only the Parties to this Agreement who may avail themselves of the recognition by the German Government of its liability to pay direct the sums found to be due by Germany under Article 297 (e).

8. Any difference which may arise between the High Contracting Parties as to the construction or effect of this Agreement may be referred by either Party to the Anglo-German Mixed Arbitral Tribunal, whose decision shall be final.

In witness whereof the undersigned, duly authorised by their respective Governments, have signed the present Agreement and have affixed their seals thereto.

Done in duplicate at London, in English and German texts, the 23rd November, 1921.

[L. s.] CURZON OF KEDLESTON.

[L. s.] STHAMER.

SCHEDULE

Specimen of further Account referred to in Article 3 of this Agreement

September 30, 1921

[Account No. 1

Proceeds of liquidation of property, rights and interests and cash assets belonging to nationals of the United Kingdom and Colonies and Protectorates not possessing responsible Government.

Sums already credited through £	£
Liquidation Account, per Liquidation Account No.	1,500
Add approximate total of further sums realised, in respect of which it has not yet been possible to give credit, subject to adjustment hereafter.	1,200
	2,700

Claims of British nationals in whose favour the charge referred to in paragraph 4 of the annex to Section IV of Part X of the Treaty of Versailles may in the first place be created, other than those entitled to compensation under Article 297 (e).

Unpaid balance of Monthly Account No.	£ 50
Other claims	50
	100
Balance carried down	300
	3,100

Compensation determined in favour of British nationals by award or by agreement to date.	700
	700

Proceeds of liquidation of German property, rights and interests and cash assets in the United Kingdom and Colonies and Protectorates not possessing responsible Government.

Sums already credited through £	£
Liquidation Account, per Liquidation Account No.	700
Add approximate total of further sums realised, in respect of which it has not yet been possible to give credit, subject to adjustment hereafter.	2,400
	3,100

Balance of proceeds of liquidation and cash assets after making provision for the claims of British nationals as set out in this agreement, brought down	300
Amount payable by Germany to Great Britain under this agreement.	400
	700

SCHEDULE

Specimen of further Account referred to in Article 3 of this Agreement

December 31, 1921

[Account No. 2

<i>Proceeds of liquidation of property, rights and interests and cash assets belonging to nationals of the United Kingdom and Colonies and Protectorates not possessing responsible Government.</i>	<i>Proceeds of liquidation of German property rights and interests and cash assets in the United Kingdom and Colonies and Protectorates not possessing responsible Government.</i>
Sums already credited through £ £ Liquidation Account, per Liquidation Account No. 2,000 <i>Add approximate total of further sums realised, in respect of which it has not yet been possible to give credit, subject to adjustment hereafter 700</i>	Sums already credited through £ £ Liquidation Account, per Liquidation Account No. 2,100 <i>Add approximate total of further sums realised, in respect of which it has not yet been possible to give credit, subject to adjustment hereafter 1,900</i>
<i>Claims of British nationals in whose favour the charge referred to in paragraph 4 of the annex to section 4 of Part X of the Treaty of Versailles may in the first place be created other than those entitled to compensation under article 297 (e) 75</i>	<i>Payment in excess of the balance of Monthly Account No. 100</i>
<i>Balance carried down 1,325</i>	
<i>Compensation determined in favour of British nationals by award or by agreement to date 1,150</i>	<i>Balance of proceeds of liquidation and cash assets after making provision for the claims of British nationals as set out in this agreement, brought down 1,325</i>
<i>Balance in favour of Germany 175</i>	

Germany has paid to Great Britain under the provisions £
of the agreement per Account No. 1 400
Germany is therefore entitled to be repaid the amount
of the above balance 175

Leaving a credit in Germany's favour to be carried forward to Account No. 3 of 225